

INTERNATIONAL
Herald Tribune

Bush signs bill restoring money to highway fund

The Associated Press

Tuesday, September 16, 2008

WASHINGTON: Two months after the White House threatened to veto a highway trust fund rescue plan, President Bush signed the legislation on Monday.

Because the trust fund derives its revenues from the federal gas tax, and Americans have curtailed driving because of high gas prices, it was going broke much faster than anticipated. Washington would have to begin delaying payments to states for construction work as early as this month, meaning the loss of thousands of high-paying construction jobs. This produced the White House's turnaround.

The bill transfers \$8 billion from the Treasury's general fund to shore up the financially teetering highway trust fund, which supports road and bridge projects around the country. In July, the White House threatened a veto, saying taking money from the general fund was "both a gimmick and a dangerous precedent that shifts costs from users to taxpayers at large."

Supporters of the transfer argued that the Treasury was merely returning \$8 billion it took from the then-prospering trust fund in 1998 for deficit reduction.

Bush signed the bill with no ceremony or comment.

Correction:

Notes:

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